FLORIDA PUBLIC SERVICE COMMISSION Capital Circle Office Center • 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

MEMORANDUM

MARCH 7, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING

PRON: DIVISION OF LEGAL SERVICES (BARONE) NOB DIVISION OF COMMUNICATIONS (GREER) SAS for SLG A

- RE: DOCKERS NOS. SERVICE-TP & 960846-TP PETITIONS BY AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC. AND MCI TELECOMMUNICATIONS CORPORATION, MCI METRO ACCESS TRANSMISSION SERVICES, INC., INC. FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF A PROPOSED AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCOMMUNICATION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996
- AGENDA: MARCH 18, 1997 REGULAR AGENDA PARTIES DID NOT REQUEST ORAL ARGUMENT; THEREFORE, PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\LEG\WP\960833-1.RCM

CASE BACKGROUND

On December 31, 1996, the Commission issued its Final Order on Arbitration in these dockets. See Order No. PSC-96-1579-FOF-TP. The parties were directed to submit an agreement memorializing and implementing the Commissions decisions within thirty days of the issuance of the Order. On January 15, 1997, BellSouth Telecommunications, Inc. (BellSouth) and AT&T Communications of the Southern States, Inc. (AT&T) filed a joint proposed interconnection agreement reflecting the provisions upon which they agreed. AT&T and BellSouth also submitted, separately, proposed language on those provisions they could not agree.

The Commission addressed the Motions for Reconsideration and the proposed contract language during its Special Agenda Conference on February 21, 1997. During its deliberations, the Commission determined that it would require the parties to submit their final agreement by March 7, 1997.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKETS NOS. 960833-TP & 960846-TP MARCH 7, 1997

On March 3, 1997, AT&T and BellSouth filed a Joint Motion for Extension of time. On March 5, 1997, BellSouth filed a Motion for Extension of Time to submit its agreement with MCI Telecommunications Corporation; MCI Metro Access Transmission (MCI). On March 7, 1997, MCI filed a response in opposition to BellSouth's Motion.

DISCUSSION OF ISSUES

<u>ISSUE 1:</u> Should the Commission grant AT&T and BellSouth's Joint Motion for Extension of Time.

<u>RECOMMENDATION:</u> Yes. The Commission should grant AT&T and BellSouth's Joint Motion for Extension of Time.

<u>STAFF ANALYSIS:</u> On December 31, 1996, the Commission issued its Final Order on Arbitration in this docket. See Order No. PSC-96-The parties were directed to submit an agreement 1579-FOF-TP. memorializing and implementing the Commissions decisions within thirty days of the issuance of the Order. On January 15, 1997, Telecommunications, (BellSouth) BellSouth Inc. and AT&T Communications of the Southern States, Inc. (AT&T) filed a joint proposed interconnection agreement reflecting the provisions upon which they agreed. AT&T and BellSouth also submitted, separately, proposed language on those provisions they could not agree.

The Commission addressed the Motions for Reconsideration and the proposed contract language during its Special Agenda Conference on February 21, 1997. During its deliberations, the Commission determined that it would require the parties to submit their final agreement by March 7, 1997.

On March 3, 1997, AT&T and BellSouth filed a Joint Motion for Extension of time. Specifically, the companies request the Commission grant the companies an extension of time to file the arbitrated agreement until 14 days after the Order final memorializing the Commission's decisions at the Special Agenda Conference is issued. In support of their Motion, the companies state that the Commission's extensive discussion at the Special Agenda Conference has created some confusion as to the Commission's ultimate decisions. The parties have different views as to what Therefore, they state, completing the the Commission decided. final language of the arbitrated agreement is difficult. AT&T and BellSouth agree that the Order which reflects the Commission's decisions at the agenda conference will assist them in formulating the appropriate language to be included in the final agreement.

DOCKETS NOS. 960833-TP & 960846-TP MARCH 7, 1997

Staff recommends that the Commission grant AT&T and BellSouth's Joint Motion for Extension of time. Staff believes the request is reasonable.

ISSUE 2: Should the Commission grant BellSouth's Motion for Extension of Time in Docket No. 960846-TP?

<u>RECOMMENDATION:</u> Yes. The Commission should grant BellSouth's Motion.

<u>STAFF MALYSIS:</u> On March 5, 1997, BellSouth, for the same reasons outlined in Issue 1, filed a Motion for Extension of Time to submit its agreement with MCI Telecommunications Corporation; MCI Metro Access Transmission (MCI).

MCI filed a response in opposition to BellSouth's Motion on March 7, 1997. MCI argues that while there was considerable discussion by the Commission of the staff's recommendation, MCI believes that the Commission's rulings on the motions for reconsideration and the disputed contract language, as reflected in the motions adopted by the Commission, are clear.

MCI states that it has two local switches in place in Florida. MCI argues that further delay in finalizing the arbitrated agreement will have an adverse impact on MCI's entry into the local markets and will provide BellSouth with an additional time period during which it will continue to be sheltered from competition. According to MCI, BellSouth has refused to finalize the arbitrated agreement unless the Commission determines that the filing deadline should be extended until after the issuance of an order reflecting the decisions made on February 21, 1997. Therefore, MCI urges the Commission to act as soon as possible to deny BellSouth's request.

MCI further states that if the Commission determines to extend the deadline until after the issuance of the order reflecting the decisions made on February 21, 1997, it opposes allowing the additional two weeks after that date. MCI believes that the Commission's decisions have already been accurately incorporated in the current draft of the agreement based on the results of the agenda conference, and that additional effort, if any, required to make the agreement conform to the Commission's order could be finished in five business days or less following issuance of the order. DOCKETS NOS. 960833-TP & 960846-TP NARCH 7, 1997

Staff recommends that the Commission grant BellSouth's Motion for Extension of time. Staff believes the request is reasonable especially in view of the timing issues involved. MCI argues that the Commission should consider the Motion as soon as possible. However, the soonest the Commission can consider the Motion is at its March 18, 1997, agenda conference. If the Commission approves staff's recommendation, the agreements will be due two weeks from the date the Order, memorializing the Commission's decision at the February 21, 1997 Special Agenda Conference, is issued. Staff does not believe, in this instance, that the request for an extension of time is unreasonable.

ISSUE 3: Should these dockets be closed?

<u>RECOMMENDATION</u>: No. These dockets should remain open until the parties have filed their signed arbitration agreements.

<u>STAFF ANALYSIS:</u> These dockets should remain open until the parties have filed their signed arbitration agreements.